



STAFF REPORT
7/14/2021

TO: Honorable Mayor and City Council Members
FROM: Gabriel Perez, Assistant Community Development Director
SUBJECT: La Colonia II – General Plan Amendment Project

- a) Addendum to the Coachella General Plan Update EIR.
- b) General Plan Amendment No. 21-01 to change the land use designation of an existing 37.3-acre vacant property from “Open Space” to “Suburban Neighborhood” in order to develop 155 new single-family homes with public streets and common-area improvements, on vacant property located at the southeast corner of Avenue 50 and Calhoun Street. City-Initiated.

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 2021-47 adopting an Addendum to the City’s General Plan Update EIR and approval of General Plan Amendment No. 21-02 for property located at the southeast corner of Avenue 50 and Calhoun Street.

BACKGROUND:

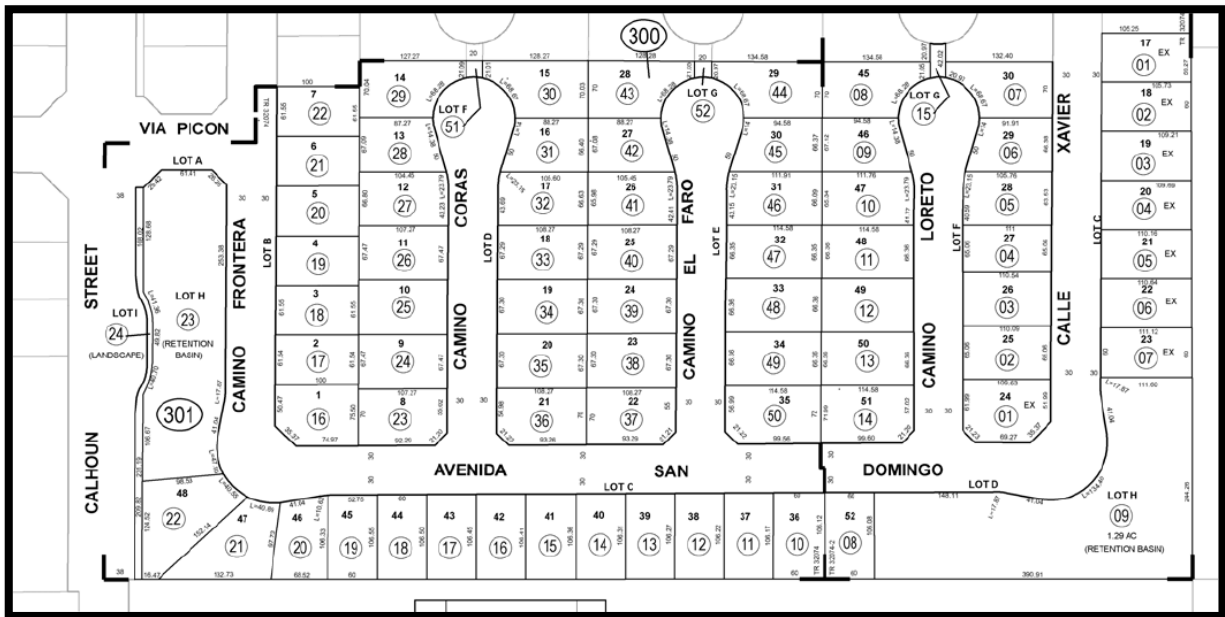
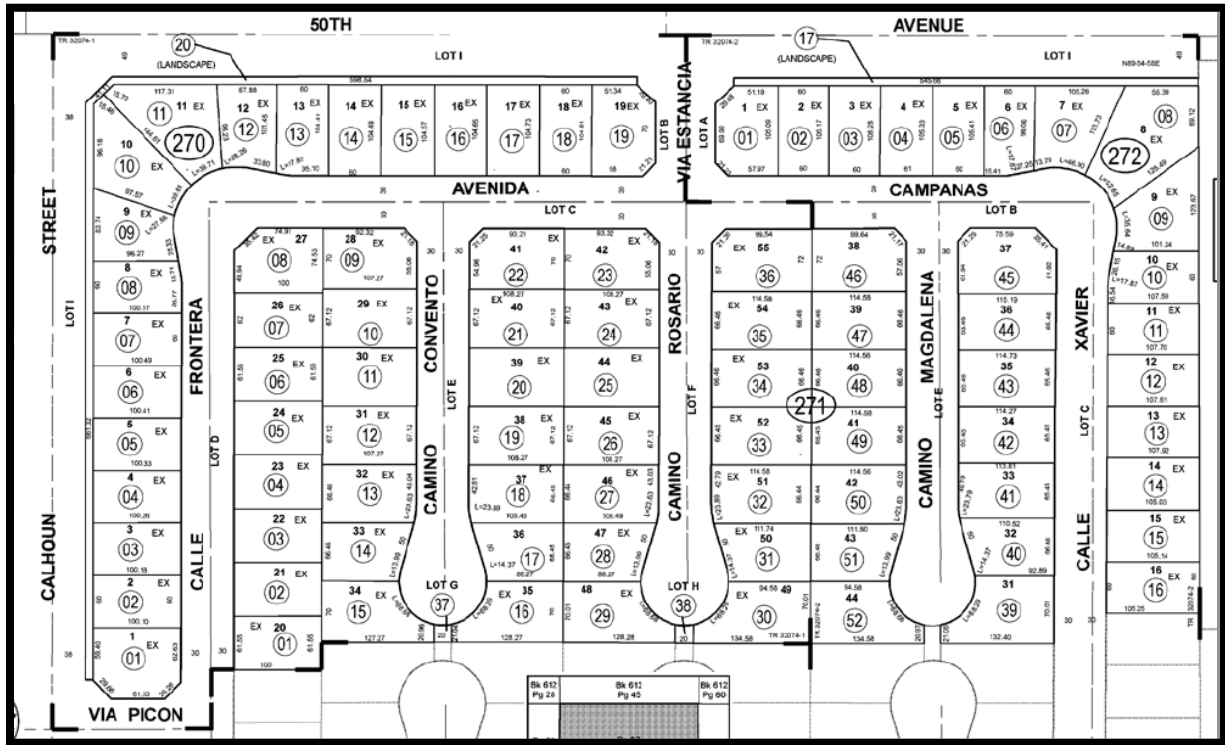
In early 2006, a developer entitled a 155-lot subdivision known as “La Colonia II” located on 37.3 acres of vacant land at the southeast corner of Avenue 50 and Calhoun Street. This project was supposed to be a continuation of the production homes previously built at the “La Colonia” community at the southwest corner of Avenue 50 and Calhoun Street. However, the project merely obtained grading permits and began sewer line installations when the great recession of 2007 caused the project to become a distressed subdivision. Although the final tract map was recorded, there were no public streets or public improvements completed on the project and the builder defaulted on prior creditor commitments. The Planning Commission recommended approval of the Project on June 16, 2021.

DISCUSSION/ANALYSIS:

In October 2011, the City of Coachella acquired approximately 20 vacant lots that were part of the “La Colonia II” community (Tract No. 32074) as part of a Bank Trustee Sale. Then, in June 2014 the City acquired all of the remaining lots (approximately 135 vacant lots) in the subdivision. The City used Quimby (parkland dedication – developer impact fees) because it was the City’s

intention to build a City Park on this property. In April 2015, the City's General Plan Update re-designated the subject property for "Open Space" uses because this was the prior intended use.

As previously stated, Tract No. 32074 was recorded with dedicated public streets (including street names) and common-area lots for perimeter landscaping and retention basins, ready for future development. This is evidenced by the Assessor Parcel Maps shown below.



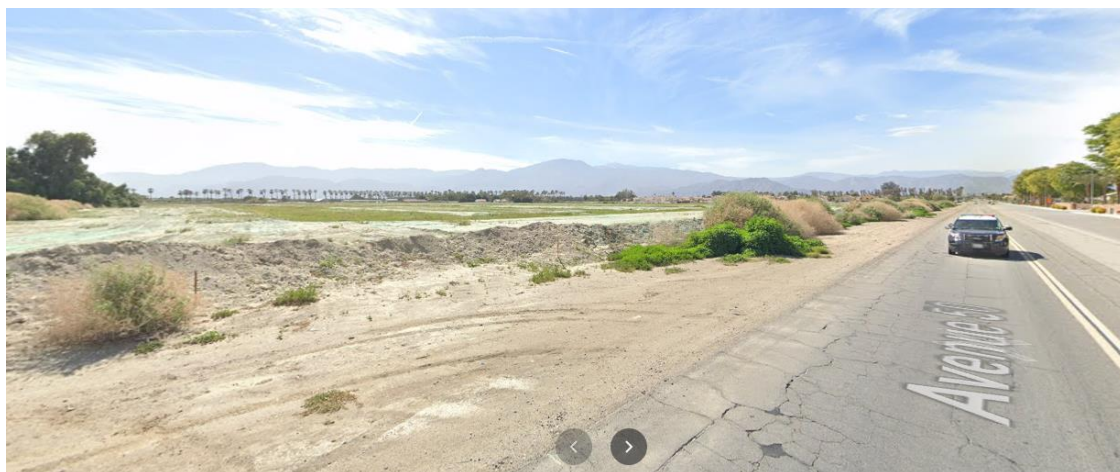
As a result of the recent housing boom, on July 22, 2020 the City Council authorized staff to execute a standard Vacant Land Listing Agreement with Johnson Commercial to list the property for sale to potential home builders. However, staff was subject to new State laws that require public lands to be first advertised for sale to affordable housing builders (“Surplus Land Act”).

Accordingly, in September 9, 2020 the City published a Notice of Availability pursuant to the State’s Surplus Land Act, and received back interest from multiple parties. Staff reviewed all of the materials presented by the responding parties and later entered into a 90-day Exclusive Right to Negotiate Agreement with the highest bidder, D.R. Horton Los Angeles Holding Company, to sell the 37.3 acres for future development. One of the contract stipulations is that the City re-designate the subject site from Open Space” to “Suburban Neighborhood” to make the current zoning consistent with the General Plan, and to allow the construction of a 155-lot single family residential development on the site.

The photographs below show the current conditions of the site, which has been previously graded, and sewer lines have been installed.



View looking southeasterly at Avenue 50 and Calhoun Street



View looking west from the east property boundary at Avenue 50



View looking east along the southern property boundary at Calhoun Street

GENERAL PLAN AMENDMENT:

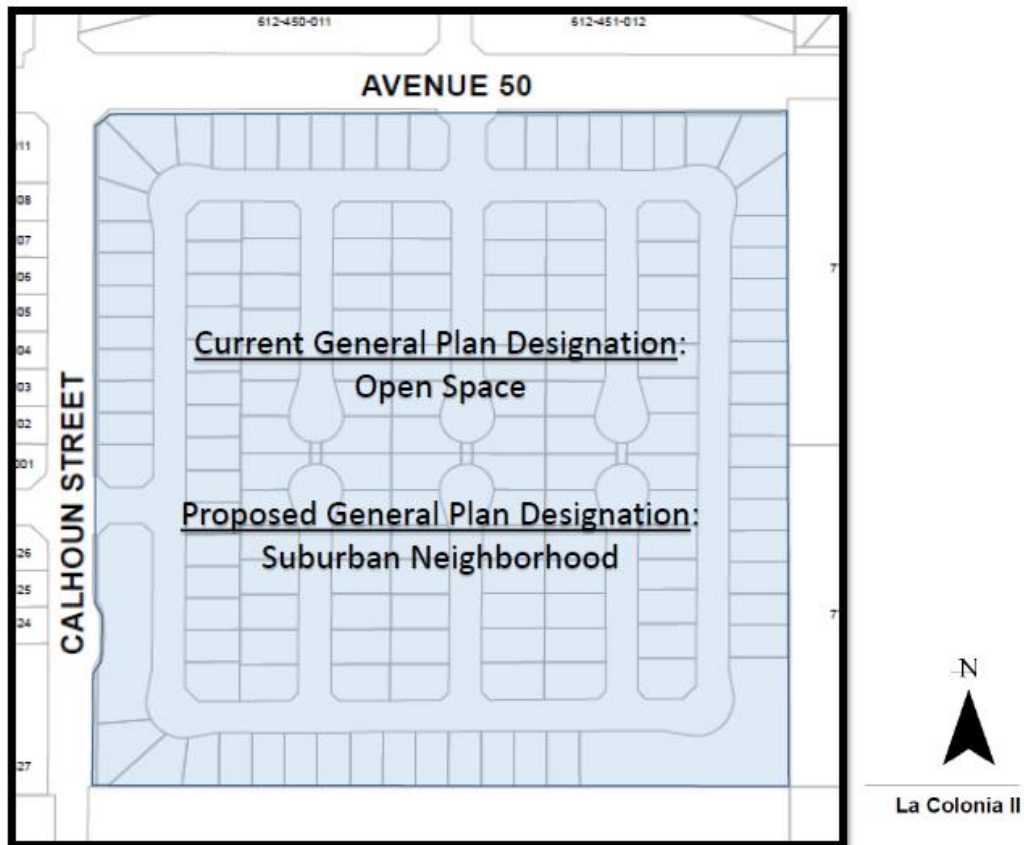
The subject site has a current zoning designation of R-S (Residential Single Family) which allows one dwelling per lot, and other incidental uses. However, due to the 2015 General Plan Update, the City changed the future land use designation of this site to “Open Space” in anticipation of building a City Park. Under State law, whenever there is a conflict between the Zoning Map and the General Plan land use designation, the General Plan takes precedence. Accordingly, any development on this site requires the R-S zone to be changed to a conforming zone that would allow a “public park” or other “open space” use.

The City Council has indicated a commitment to building a new City Park in another location with the realized proceeds (once the property is sold) that were originally used for the purchase of this property (*approximately \$1.2 Million originally spent, with a reasonable interest rate since 2014*). However, the City Council has expressed the “highest and best use” of the subject site is for a single-family residential subdivision. The contract sales price of the property is \$3.87 Million which represents a substantial economic benefit to the City of Coachella.

The City has initiated General Plan Amendment No. 21-02 to change the Land Use and Community Character Element of the General Plan, to show the subject property as “Suburban Neighborhood” on the General Plan’s Land Use Map. This would allow a zoning district with up to eight dwelling units per acre, but consisting of single-family residential lots. The General Plan Amendment is necessary in order to allow the residential community to be developed. And the buyer (D.R. Horton) is a National homebuilder that is currently building homes in the City of Coachella (i.e., “Escondida Pointe” and “Prado Pointe”). As such, staff is recommending that the Planning Commission recommend to the City Council, approval of this General Plan Amendment.

The exhibit below shows the subject property with its current General Plan designation, and the proposed General Plan designation.

GPA EXHIBIT – LA COLONIA II



ENVIRONMENTAL REVIEW:

Staff prepared an Addendum to the Coachella General Plan Update Environmental Impact Report (CGPU EIR - also identified as State Clearinghouse No. 2009021007) pursuant to the guidelines of the California Environmental Quality Act (CEQA), which is attached to this staff report. The Addendum concludes on the basis of substantial evidence that the proposed Project is not expected to result in impacts beyond those previously identified and mitigated in the CGPU EIR. No significant impacts would occur as a result of the Project, as it occurs in the western portions of the City where existing development is concentrated. The Project will adhere to applicable General Plan policies and zoning requirements.

The EIR impacts associated with future development, which were previously determined to be significant and unavoidable, would be less with the proposed Project, because the 155 single-family homes would not change the character of the area in which the site is located. Project impacts associated with the various environmental factors would not exceed those expected under the current Open Space designation, and thus would be comparable to, or less than those identified in the CGPU EIR. As such, no new environmental review documents are required for this General Plan Amendment, and for future construction of the single family homes.

ALTERNATIVES:

1. Adopt Resolution No. 2021-48 adopting the Addendum to the Coachella General Plan Update EIR, and Approval of GPA 21-01.
2. Continue this matter and provide staff direction.
3. Take no action.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1 as shown above.

Attachments: Resolution No. 2021-47
 Addendum to General Plan Update EIR
 GPA 21-01 Exhibit